

REQUEST FOR PROPOSALS (General Obligation Bond)

County of Rutherford, North Carolina
General Obligation Refunding Bond, Series 2013
June 6, 2013

The County of Rutherford, North Carolina (the "County") with assistance from Stephens Inc. (the "Structuring Agent") is considering a current refunding of all or a portion of the callable maturities of the County's tax-exempt General Obligation School Bonds, Series 2003A (the "2003A GOs") and an advance refunding of all or a portion of the callable maturities of the County's tax-exempt General Obligation Bonds, Series 2006 (the "2006 GOs").

Descriptions of the obligations that will be refinanced as well as the proposed refunding structure are as follows:

- **2003A GOs**

- The 2003A Bonds were issued pursuant to the provision of The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina. The Bonds were issued pursuant to a bond order adopted by the Board of Commissioners of the County (the "Board") on March 3, 2003.
- The 2003A Bonds, originally dated April 1, 2003, are general obligations of the County and were issued to advance refund the County's General Obligation Refunding Bonds, Series 1993.
- The 2003A Bonds maturing on or before June 1, 2013 are not subject to redemption before maturity. The Bonds maturing on or after June 1, 2014 are subject to redemption prior to maturity at a redemption price of 101% of such principal amount, plus interest accrued to the date fixed for redemption.

- **2006 GOs**

- The 2006 Bonds were issued pursuant to the provision of The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina. The Bonds were issued pursuant to a bond order adopted by the Board of Commissioners of the County (the "Board") on May 1, 2006.
- The 2006 Bonds, originally dated and delivered on June 1, 2006, are general obligations of the County and were issued to provide loans and grants to municipalities in the County for the extension of water and sewer service into unincorporated areas of the County.
- The 2006 Bonds maturing on or before June 1, 2016 are not subject to redemption before maturity. The Bonds maturing on or after June 1, 2017 are subject to redemption prior to maturity at a redemption price of 100% of such principal amount, plus interest accrued to the date fixed for redemption.

- **Proposed Structure**

- All documents will be drafted by the County's Special Counsel; Parker Poe Adams & Bernstein, LLP.

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- o The 2013 GO Bond will be secured by a levy on all property taxable by the County such as ad valorem taxes, without limitation as to rate or amount, as may be necessary to pay the principal and the interest.

PROPOSAL

The County invites your proposal to refund the financing described above. The financing will be awarded as determined by the County and subject to the conditions outlined below:

1. The County anticipates amortization on the basis as outlined in the Appendix to this Request for Proposals. Principal and interest will be payable on December 1, 2013, and each June 1 and December 1 thereafter. The proponent should identify interest rates based on a callable structure, with the 2013 GO Bond being prepayable at par on December 1, 2023. The County will consider offers that include prepayment provisions that differ from the standard 10-year par structure. If your offer and interest rate for the Series 2013 GO Bond differ from a par call on December 1, 2023, please specify. **Please provide a quote based on the amortization schedule in the Appendix.**
2. A proponent must propose a fixed interest rate which will not change during the term of the Series 2013 GO Bond.
3. The County will not designate the Series 2013 GO Bond as "bank-qualified" under the Internal Revenue Code of 1986.
4. Parker Poe Adams & Bernstein LLP will serve as document counsel; draft all documents, and provide a validity opinion and an opinion as to the treatment of the interest component of the Series 2013 GO Bond payments under the State and federal tax law.
5. The proposer should identify all costs expected to be borne by the County in this financing other than the fees of Parker Poe Adams & Bernstein LLP and the County's Structuring Agent.
6. The proposer should identify how long it is willing to hold its proposed interest rates and other terms and conditions contingent upon a successful closing. The County expects to ask the Local Government Commission to approve the financing at its July 2, 2013 meeting and is expected to close on or around July 26.

Parker Poe Adams & Bernstein LLP is serving as Bond Counsel to the County in connection with the financing. By submitting a proposal, each proposer represents that it understands that Parker Poe Adams & Bernstein LLP, in its capacity as Bond Counsel, represents the County, and the successful proposer agrees to waive any conflict of interest that Parker Poe Adams & Bernstein LLP involvement in connection with the financing to such successful proposer presents.

Sealed proposals will be received by the **County until 12:00 P.M., June 14, 2013**. Please send via email a copy of your response in a PDF version which contains an electronic signature to Paula Roach, Finance Director (paula.roach@rutherfordcountync.gov). At that time, all proposals will be opened. The sender must accept all responsibility for timely receipt of an email transmission. Further information may be obtained from Matt Burge, at (704)442-5009; matt.burge@stephens.com.

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THE SELECTION WILL BE PRIMARILY BASED ON LOWEST INTEREST COST TO THE COUNTY AND THE COUNTY RESERVES THE RIGHT TO SELECT THE PROPOSAL THAT BEST MEETS THE NEEDS OF THE COUNTY. SELECTION OF ANY PROPOSAL IS SUBJECT TO APPROVAL THEREOF AND APPROVAL OF DOCUMENTATION BY THE COUNTY AND THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION.

APPENDIX A

PROPOSED AMORTIZATION SCHEDULE:

• SERIES 2013 GENERAL OBLIGATION BOND

\$1,724,000

County of Rutherford, North Carolina
General Obligation Refunding Bond, Series 2013

Maturity	Par Amount
12/01/2013	57,000
06/01/2014	53,000
12/01/2014	52,000
06/01/2015	52,000
12/01/2015	51,000
06/01/2016	51,000
12/01/2016	88,000
06/01/2017	89,000
12/01/2017	86,000
06/01/2018	87,000
12/01/2018	84,000
06/01/2019	86,000
12/01/2019	84,000
06/01/2020	84,000
12/01/2020	79,000
06/01/2021	79,000
12/01/2021	77,000
06/01/2022	79,000
12/01/2022	75,000
06/01/2023	77,000
12/01/2023	40,000
06/01/2024	40,000
12/01/2024	39,000
06/01/2025	39,000
12/01/2025	48,000
06/01/2026	48,000
Total	\$1,724,000